

## **Assembly Concurrent Resolution No. 120**

### **RESOLUTION CHAPTER 34**

Assembly Concurrent Resolution No. 120—Relative to Financial Literacy Month.

[Filed with Secretary of State April 25, 2006.]

#### **LEGISLATIVE COUNSEL'S DIGEST**

ACR 120, Niello. Financial Literacy Month.

This measure would declare the month of April 2006 as Financial Literacy Month, in order to raise public awareness about the need for increased financial literacy.

WHEREAS, Californians' total personal income is 59 percent higher than the next closest state and accounts for 13 percent of all personal income in the United States; and

WHEREAS, 4.7 million Californians live below the poverty level; and

WHEREAS, In 2005, consumer bankruptcy filings numbered over 2 million, up 31.6 percent from 2004, representing the highest number of filings on record; and

WHEREAS, In 2005, Chapter 7 consumer bankruptcy filings, which provide consumers with the greatest relief of their debt, increased 47.2 percent; and

WHEREAS, The average household consumer credit debt is about \$8,000; and

WHEREAS, 27 percent of baby boomers say "they are worse financial managers than their parents"; and

WHEREAS, 51 percent of those surveyed in the 2005 Retirement Conference Survey said that high expenses are preventing them from achieving their retirement savings goals; and

WHEREAS, The average amount in retirement accounts is \$49,944; and

WHEREAS, The U.S. Savings rate for consumers in late 2005 was a negative 0.2 percent; and

WHEREAS, 43 percent of American households do not have retirement accounts; and

WHEREAS, Almost 70 percent of retired workers reported that they now spend the same as or more than they did when they worked; and

WHEREAS, 70 percent of retirees said they wish they had saved more during their working years and 59 percent said they should have started saving earlier; and

WHEREAS, High school seniors taking part in a national survey of financial knowledge scored an average of 52.3 percent, which is a failing grade; and

WHEREAS, Over the past five years, total annual borrowing through student loans has soared 85 percent, easily outpacing the 41 percent rise in public college costs and the 28 percent increase at private schools; and

WHEREAS, Undergraduates reported freshman year as the most prevalent time for obtaining credit cards, with 56 percent reporting having obtained their first card at 18 years of age; and

WHEREAS, Almost 24 percent of undergraduate students reported using credit cards for tuition; and

WHEREAS, Increasing the financial literacy of all economic and ethnic groups is documented to improve attitudes, lead to improved decisionmaking, and provides for a more secure future for the individuals and their families who have been educated with regard to these issues; and

WHEREAS, Financial literacy training may be easily integrated as a valuable component for elementary and secondary schools, colleges and universities, libraries, community groups, and citizen town hall meetings; and

WHEREAS, Many groups are dedicated to increasing the financial literacy of Americans and a broad range of quality personal finance instructional materials and curricula have been created for this purpose, but the audience to which this information is vital, is not being reached; now, therefore, be it

*Resolved by the Assembly of the State of California, the Senate thereof concurring,* That the Legislature hereby declares the month of April 2006 as Financial Literacy Month, in order to raise public awareness about the need for increased financial literacy; and be it further

*Resolved,* That legislators, employers, schools, service groups, community organizations, libraries, financial institutions, and the media, be encouraged to provide opportunities for financial literacy education for all Californians through a variety of means, including attending the California Summit on Financial Literacy on April 26, 2006, and collaborating with members of the California Society of Certified Public Accountants, California Jump Start Coalition, and others, as they provide outreach and education; and be it further

*Resolved,* That the Chief Clerk of the Assembly transmit copies of this resolution to the author for appropriate distribution.